

Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at http://about.jstor.org/participate-jstor/individuals/early-journal-content.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

popular as a writer, in a community not wholly without fastidiousness in the selection of its favorites; and if the form of romantic narrative, in which she excelled, has given place to others of a more exalted nature, it is some praise to have succeeded in a department of literature, in which none but the highest abilities could have attempted a reform. In her disposition, there was much of disinterestedness and magnanimity, and a readiness to make large sacrifices for the welfare of others, or to a sense of duty, which are certainly the indication of no ignoble spirit; and there was combined with these qualities, an earnestness in the cause of religion, which, if sometimes misguided by the prejudices arising from her education and position in society, was yet inspired by correct and honorable principle. The closing period of her life appears to have been as tranquil, as its meridian was disastrous. She died at the moment, when a new and most momentous chapter was about to be added to her country's eventful history; at the very opening of a great drama, in which her early and favorite pupil has been destined to play a most conspicuous part; and when, as she might have felt without affectation, her own character and principles were to be vindicated by the excellence of his.

ART. IX.—A Manual of Political Economy, with particular reference to the Institutions, Resources and Condition of the United States. By WILLARD PHILLIPS. 8vo. pp. 278. Boston. 1828.

We owe an apology to our readers, for not having taken an earlier notice of this work, which is one of the most valuable that have yet appeared in the United States upon the important subject of which it treats. Mr. Phillips, who was already advantageously known to the public by his work on Insurance, and several other literary essays of great merit, has condensed into this volume the results of an extensive course of reading, matured and digested by patient reflection. Without perhaps proposing any entirely new ideas, he has subjected the whole compass of the science to a new examination; presented many questions under new points of view; discriminated, in general with great correctness, between the sound and unsound portions of the current theories; and developed some important truths in

a fuller and more satisfactory manner than any preceding The reasoning is accompanied, throughout, with copious historical and statistical illustrations, evincing a very accurate knowledge in the author of the economical resources of the different parts of the world, and conveying,—particularly in reference to this country,—a great deal of useful information, which it would be difficult to come at so easily in any other guarter. We shall mention, in the course of our remarks, a few points on which we differ from Mr. Phillips; but we have no hesitation in saying, that in our opinion his work may be read and consulted as a manual, particularly by the citizens of this country, with more profit than any recent publication on the subject with which we are acquainted in the English language. The literary execution of the work is highly creditable to the author. The style is correct, perspicuous, and, as far as the nature of the subject admits, elegant. We shall first offer a few remarks upon the present state of the science, and then notice particularly some of the more interesting portions of the work before us.

The great work of Adam Smith, which created the science of Political Economy, is still the foundation and text-book of this branch of learning, and is in fact almost the only truly original and valuable treatise, which we have upon it. It is one of those standard productions, in which a master-mind, capable of grasping the whole domain of science and letters, has directed its great powers and resources with indefatigable perseverance to the illustration of a single subject. less agreeable in form, than it is valuable in substance; and, instead of being—as is supposed by some who have not read it dry and repulsive, is undoubtedly, to every reader of mature taste and liberal accomplishments, one of the most interesting as well as instructive books which he can take up. The writers on the continent of Europe, and particularly Say, have done little more than translate and arrange Smith, whose work will, of course, be studied with far more advantage in the original. The inquirer will there find the great and simple principles which constitute the basis of the science, distinctly stated in the most elegant language, proved and illustrated by curious and instructive details of facts, and followed out into the most important, and generally most correct practical conclusions. The theories of Smith received a tinge from the philosophical character and tendency of the age in which he lived, and are in some parts, better adapted to the practical use of a country where individual liberty is struggling for existence under a load of ancient abuses, than for one in which the battle is won, and where the principal object of the patriotic and judicious is to give efficiency to the opposite element of law. But if we even admit, that the work of Smith contains some errors of considerable importance, resulting from the cause to which we have alluded, it must still be regarded, and will probably remain for a long time, the standard treatise on the science of Political Economy.

After the appearance of the Wealth of Nations, no important innovation was attempted in the science, until the publication of the Essay on Population by Mr. Malthus. The object of this work was originally purely political, and this circumstance probably contributed very much to procure for it a temporary popularity; but it was afterwards found that the leading principle, if admitted, would effect a very important change in the whole aspect of the science of Political Economy. principle, divested of the technical and somewhat pedantic form under which it was presented by Mr. Malthus, is, that there is a natural disproportion between the demand for, and the supply of the means of subsistence—that this disproportion is the real source of all the moral and physical evil under which we suffer—and that, although its operation may be to a certain extent counteracted, the mischief is on the whole irremediable. The economical results of this principle are sufficiently apparent. Thus, on a natural view of the subject, the wages of labor are the whole of its produce, or something of equivalent value. No man, who can produce in a given time an article of a certain value, will accept, as the wages of his labor for that time, any other article of less value than the one which he can make himself. But if we admit that the supply of the means of subsistence is regularly and necessarily insufficient to satisfy the demand, that is, the wants of the community, it follows, that the market for labor is always overstocked, and that labor will be always at a minimum price, which will be equal to the value of the least quantity of the means of subsistence, that will barely support the laborer and his family. Such is accordingly the theory of Mr. Malthus and his disciples on the subject of wages. Without following out in detail the application of the principle to the several subjects of rent, profits, taxation, and the other

leading titles in the science, it is sufficient for our present purpose to remark, that it leads in all of them to new conclusions, entirely at variance with those which result from the principles previously adopted and maintained in the Wealth of Nations. These new conclusions have been set forth by the contemporary British writers, Malthus, Ricardo, Mc Culloch, and others, and constitute the basis and substance of the science of Political Economy, as it is now taught in the schools of England. On the continent of Europe, these conclusions have been but partially adopted, and the science remains more nearly in the form in which it was left by Adam Smith.

The character of a treatise on Political Economy, written at the present day, is therefore determined in a great measure by the view which the author takes of the principle of Malthus. If he adopt this principle, he must acquiesce in the conclusions of the contemporary British writers, and can only hope to improve the state of the science by illustrating these, or adding others deduced in a similar way from the same premises. If, on the contrary, he reject this principle, he must reject with it the whole body of Political Economy as now taught in England, and, going back about half a century, take up the science at the point where it was left by its great founder. In conducting a systematic inquiry into this subject, the first object would therefore be to examine the theory of Malthus, ascertain the precise arguments for and against it, and decide whether it is, or is not to be received as the basis of the science.

The plan of Mr. Phillips has led him to take a popular, rather than a systematic view of the field of Political Economy, and, although he rejects the theory of Malthus, and with it most of the conclusions of the contemporary British writers, he has not undertaken a formal refutation of the principle. He is rather disposed to consider it as a mere unsubstantial paradox, unworthy of any very serious examination, which has already had its day, and is not likely in future to engage much of the public attention. This view of the subject is, in our opinion, the correct one; but we think, that Mr. Phillips would have rendered his work more complete and satisfactory, by devoting a chapter, or perhaps a preliminary essay, to this particular The high estimation in which the theory in question is still held in England, entitles it to respectful notice; and this was the more necessary, inasmuch as the labor of refuting it has by no means been wholly superseded by the writers whom

he cites as authorities for a different opinion.* But this deficiency—if it be one—in the work before us, will be less perceived hereafter than it is now. In general, the permanent value of a scientific treatise is greater in proportion as it is less occupied by a refutation of the erroneous opinions of contemporary writers. The chapter on Innate Ideas, in Locke's Essay on the Human Understanding, which was probably at the time the most popular and interesting one in the work, is now looked upon as nearly superfluous.

^{*} We have before us a late work, in two thick octavo volumes, on the subject, by Mr. Sadler, a distinguished member of the British House of Commons, which is noticed in the last number of the Edinburgh Review, in the contemptuous and insulting tone so often employed by that, in many respects, valuable journal. The work is written throughout in an excellent spirit, and with a very correct moral feeling, although not uniformly the best taste in point of style. The argument consists of two parts; a refutation of the theory of Malthus, and an attempt to establish a new one. In some passages of the former part, the reasoning of Mr. Sadler is powerful and conclusive. We think, however, that he fails in attempting to account for the rapid increase of population in this country almost wholly by the effect of emigration from Europe. Some other writers have perhaps attributed too little influence to this cause during the earlier periods of our history, but the continuance of the same general rate of increase through the last fifty years, when the proportion of the number of emigrants from Europe (taken at the very highest estimate) to the whole population is comparatively trifling, proves that this is, after all, not the principal agent in producing the effect. The precise theoretical objections to the system of Malthus are not distinctly stated in the work of Mr. Sadler. The new principle which he attempts to establish is, that population regularly increases in an inverse ratio to its density; that is, that it increases less rapidly in proportion as it becomes more dense; and this by the effect of a mysterious adaptation of the number of births resulting from a marriage at a given time and place, to the state of population then and there existing. Some of the objections made by the Edinburgh Review to this principle are evidently captious; but the principle is, we think, improbable in itself, and not proved by Mr. Sadler. There are some facts which apparently tend to show, that population increases less rapidly as it becomes more dense; but these are easily accounted for in other ways, and, generally speaking, the current of examples is in favor of the directly opposite principle. Compare, for instance, the movement of population among the Indian tribes on this continent and among the citizens of the United States. We regret that Mr. Sadler, who is evidently a person of very considerable talent, and who appears to have employed a good deal of time and labor in collecting the materials for his work, did not allow himself a little more leisure for reflecting upon them, and preparing them for publication. He promises another volume, and we shall perhaps avail ourselves of the occasion afforded by its appearance, to notice the whole work in greater detail.

By rejecting the theory of Malthus with its consequences, and taking up the science where it was left by Adam Smith, Mr. Phillips has at once cleared his subject of a cloud of popular errors, and given a value to his work, which does not belong to any of the recent English productions. But while he discards the innovations posterior to the time of the author of the Wealth of Nations, he is far from following, with a blind and implicit confidence, in the track of that writer. He reasons on the contrary, with perfect independence, on every branch of the science, differs very frequently from Adam Smith, and has taken, we think, on the whole, too low rather than too high an estimate of his merits. On some of the points on which they are at variance, we cordially approve Mr. Phillips's doctrine; on others, we consider his attempts at improvement as less fortunate.

We regret, for example, that our author has not adhered more closely to the master of the science in regard to the great and simple truths which form the basis of it, and which it was his chief glory to have been the first to perceive and distinctly enunciate. These are, that labor is the only source of wealth, and as a necessary consequence, the only measure of value; and that the division of labor is the principal means of rendering it more productive. On these points, Mr. Phillips either departs from the principles of Smith, or regards them as of little importance, and has thus, we think, thrown some confusion around the general plan of his work.

As respects the first of these principles, Mr. Phillips holds, that in estimating the wealth of a nation, we are to consider not merely the accumulated produce of labor which it may possess, but the natural advantages of soil and climate that belong to it, and even its political condition, and intellectual and moral character; every thing, in short, which influences production. Such we take to be the import of the following passage.

'Political economy embraces the consideration of all the agents of production, and all the causes affecting the productiveness of national industry, and the distribution and consumption of its products.

'We are not limited in these inquiries to things that are bought, sold, and exchanged, and are subjects of property, since these are not the only things by which the national production is influenced. The people, excepting slaves, are not subjects of property, and yet they are the most important agents in production. A salubrious atmosphere, by promoting the health of the people, very materially contributes to the productive capacity of a country, yet the air is not made a subject of ownership. Where water cannot be procured without great labor, and is, on this account, so scarce as to be sold, the productive capacity of the community is thereby diminished; Lord Lauderdale says, that individuals are thereby made richer, and the community poorer. And this is true, if we understand the wealth of a nation to be its productive capacity, since if one in a hundred is employed in raising water for the others from a deep well, the productive industry of that community for other purposes, is but ninety-nine hundredths of what it would be, if the water were supplied with-But if the water were procured without labor, though made a subject of sale on account of its scarceness, the owners of the springs would be more wealthy by the amount of revenue derived from this source, as is the case with the Arab chiefs who derive revenue from the watering places in the desert of Zaarah, but the productive capacity of the whole community is not for this cause necessarily lessened. This effect follows only in case the proprietor of the well is rendered a less useful subject to the community in consequence of receiving this revenue. He may be either more or less useful on this account; whether he is one or the other, will depend on the wealth and condition of the community, and the character and pursuits of the richer inhabitants.

'This distinction may be illustrated more clearly, perhaps, by the instances of a canal and navigable river, for if navigation can be done on a river, without tolls, as cheap as it could be done on a canal of the same length paying tolls, the river gives all the facility and advantage to industry, that could be derived from the canal; yet the canal is of great value to the proprietors as a navi-

gable channel, and the river of no value at all.

'We perceive, from these instances, that the capacity and facilities for production are not tested and measured by the mere subjects of property, or things bought and sold in a community. It would be unnecessary to notice this distinction, had not the industrial means and faculties of a nation been denominated national wealth, and we must therefore guard ourselves against accepting the word wealth in its ordinary meaning when it is so applied.' pp. 12—14.

Now, although the physical, moral and political characteristics of a community, are among the most important elements to be taken into view in estimating its general condition, we apprehend, that they are not those, which we habitually look to, when we mean to ascertain its wealth. The wealthiest

nation is not the one which possesses the purest air-the clearest sky—the richest soil—the most abundant supply of water—the best political constitution—or the highest intellectual or moral qualities; but the one which possesses the greatest amount of the accumulated products of labor; that is-cultivated fields and gardens-houses and workshops-ships, carriages, furniture, machinery of all descriptions, and finally, money, which is the representative for the purpose of exchange of all other articles. It may happen, that the community which possesses the greatest natural advantages also possesses the greatest amount of the accumulated products of labor, and is therefore the wealthiest; but the reverse is often, perhaps more frequently the case. Holland, for example, which has been for two or three centuries past, and still is regarded as the wealthiest nation in the world, is perhaps the one of all others which was originally the most sparingly endowed with the good gifts of nature. It is no doubt true, that a given amount of labor will produce a greater or less amount of wealth, in proportion to the natural advantages under which it is applied; but it is also certain, that the greatest natural advantages will not afford the smallest portion of wealth without the intervention of labor, by which is meant the application of our physical and intellectual powers. This being the case, it follows of course that labor is the source of all the wealth of nations, or in other words, is the only source of wealth.

As the whole labor of a community is the source of all its wealth, so the amount of labor employed in the production of any particular portion of this wealth, determines the extent to which it forms a part of the general mass, or in other words fixes, and of course measures its value. This is the second of the great leading principles of Smith, and this too is controverted by our author. He denies that value is determined by the cost of production, and denies that labor is the natural measure of value.

On the first of these points, the difference between him and Smith is perhaps rather verbal than real. He affirms that 'supposing the first cost and market price, or exchangeable value of things always to coincide, still it would not be the less true, that any article would be more valuable than another, not merely because more labor and capital had been invested in its production, but because a greater quantity of others could be obtained in exchange for it.' Now it is quite true in the theory

of Smith, as well as that of Mr. Phillips, that the value of a thing depends upon the quantity of others for which it can be exchanged, and it is so defined in the Wealth of Nations. But the question here is, what determines the extent to which a given article will command others in exchange? Why is it, that a yard of superfine French broadcloth may be exchanged for ten dollars, and a yard of cheap cotton cloth for only ten cents? The answer undoubtedly is, that a proportionally greater amount of labor has been employed in the production of the broadcloth. The nominal or market price of the article does not always, as Mr. Phillips justly remarks,—coincide with its real value, as determined by the cost of production; but this does not prove, that the cost of production is not the circumstance which fixes the real value. The nominal price is constantly disturbed by accidental causes; but has a constant tendency to return from all its aberrations to the point at which it coincides with the real value: and is therefore said with propriety,—as a general proposition, to coincide with it; just as the magnetic needle is said to point to the North Pole, although it is almost always oscillating under the influence of some little temporary disturbance. In this as in a thousand other cases, the general principle is the mean of an infinite number of minute variations in opposite directions.

The value of objects being determined by the amount of labor employed in their production, it follows as a matter of course, that their value is measured by this amount, and that labor is the standard of value. If the capacity of one article to exchange for another be fixed by the quantities of labor respectively employed upon them, it is obvious, that by ascertaining the quantities of labor respectively employed upon any two objects, we may at once learn their comparative value, or the rates at which they may be exchanged. If I wish to know the money value of broadcloth, I have only to ascertain the quantities of labor respectively employed in producing a given quantity of each—a yard of cloth, for example, and a silver dollar—and their comparative value is seen at once. tice, the real value of the precious metals which serve as the common medium of exchange, is supposed to be known; and the operation reduces itself to an inquiry into the labor bestowed upon the article which we wish to compare with them.

This is the theory of Smith, and it seems to be almost selfevident, but has yet been a good deal questioned by subsequent writers, and is rejected, as we have remarked, by Mr. Phillips. The rate of wages, it is said, is constantly fluctuating; and this fact proves that labor, instead of being a measure of the value of other things, is as variable in its value as any thing else.

But it is quite obvious, that fluctuations in the rate of wages have no tendency to prove that labor is not the measure of value. They only prove, that labor is less productive, in some particular article, at one time and place, than it is at another. A day's labor, we will suppose, would formerly produce only a yard of cotton cloth, and will now produce ten. The wages of a day's labor estimated in cotton cloth, are now ten yards instead of one. What does this prove? Not that labor is worth more than it was, but that cotton cloth is worth less. And so of the other variations in the rate of wages at different times and places.

But how—says Mr. Phillips—is the amount of labor employed upon a given article to be ascertained? A native of New-England will do twice as much work in a day as a Hindoo, and will apply his labor with ten times the intelligence and skill. The produce of a day's labor in New-England will therefore be a very different thing from the produce of a day's labor in India. It is not certain, then, that because two articles have both been produced in the same number of days, they are the produce of equal quantities of labor; and this being the case, how are we to know, when they are the produce of such equal quantities? To this we answer, that there would doubtless be in practice a good deal of difficulty in bringing to an exact comparison the quantities of actual labor respectively employed upon different articles; and that labor would consequently be a very inconvenient measure of value for the purpose of selling at retail, or for the transaction of the other ordinary business of life. If a person were to go into a milliner's shop, and inquire for the produce of an hour's labor in muslin or shoe-ribbon, it would take more time to ascertain the quantity he wanted, than it did to produce it. the fact, that labor is an inconvenient measure of value for ordinary purposes, has no tendency to prove that it is not the real and original standard to which every other practical measure, and particularly money, must be brought back. The case is the same as that of the practical measures of length, weight, and capacity. In France, for example, it would be very difficult, if not impossible, in selling silk and wine at retail, to adjust the quantities wanted, by comparing them with the length of a degree and its divisions; but we know that this is in fact the

standard of the measures now in use, and the only invariable one that could have been employed for this purpose.

The beneficial influence of the division of labor in rendering it more productive,—which is the third of the leading principles of Smith,—is admitted by Mr. Phillips; but is apparently not considered by him as of much importance. He adverts to it incidentally in a single passage; and does not appear to regard it as one of the fundamental truths of the science. With those who consider it as such,—and we profess to be of the number,—the manner in which he speaks of it will be viewed as a defect in his work.

On the first great division of the subject, which respects the principles that regulate the creation of wealth, the theory of Mr. Phillips is on the whole somewhat less satisfactory than might be wished. On the other, which treats of the distribution of wealth, and includes the several titles of Wages, Rent, Profits, and Interest, his views are luminous, and in our judgment, generally correct. It is on this branch of the subject more particularly, that the modern English writers have been led by their adherence to the theory of Malthus into great errors; and the work of Mr. Phillips will be read with much advantage as a corrective of their systems. We need not follow our author in detail through the exposition of the principles set forth in this portion of the work, which are substantially the same with those of Adam Smith. We may also remark, that here and elsewhere, the object of the author is not so much to lay down theoretical truths in a formal way, as to explain their practical applications, and illustrate them by a mass of instructive and often very curious details. In this respect, his manner is the same with that of the author of the Wealth of Nations, and it is undoubtedly the one best fitted to render the work interesting and useful to the common reader. We extract the following passage as a specimen of the character of these details.

'The proportional amount of the different kinds of capital or investments varies in different countries: According to the Massachusetts valuation of 1821, the personal estate in the town of Boston, is about twice the value of the real estate, including buildings; in the town of Salem, the income from each is nearly equal. In Northampton, the income from real estate is valued at about double that from personal. Taking an average of three small inland agricultural towns, the estimated income from real

estate, including buildings, is eight times that for personal estate, and the estimated income from lands, is to that from buildings and personal estate, about as seven to four, or 7-11 of the income is from lands and 4-11 from buildings and personal estate. But some kinds of personal estate were not included in this valuation, such as furniture, apparel, farming utensils, young cattle, and swine. And the real estate was doubtless returned more accurately and valued higher than the personal.

'Taking the whole country together, we may estimate, I think, that the capital consisting of buildings and personal estate, is equal, at least, to the value of the lands. We may then consider the value of the lands to be partially the result of labor in subduing, fencing, draining, and making roads. We will allot one third of their value to this cause; and the result will be that two thirds of the whole capital of the community is the direct result

of human labor, and one third is the bounty of nature.

'The value of all capital is estimated by the income derived from it, and this income cannot be gained without labor, and it is a matter of interest to discover the share which industry has in the whole production, and how great a portion of the whole income is credited to industry, or in other words, at what value the people rate themselves in comparison with personal and real estate. Recurring then to the same valuation, it appears, that there were in Massachusetts in 1821, about 122,600 rateable polls of males over the age of sixteen years, being about one quarter of the popula-A greater part of these people are industriously employed; we will suppose the whole of them to be so. And in estimating the income from labor, we will not deduct the laborer's food, since we might as well deduct his clothing and lodging. The whole production of the community is intended for the use and consumption of the people, including the income from rents and profits as well as labor, and men will eat, and must be clad, whether they are idle or at work, so that the value of his labor is not the net wages over and above the expenses of living, but the gross wages without any such deduction. Estimating wages then at seventy-five cents per day, as the medium between the highest and lowest, including all trades and professions, and probably too low, and allowing fifty-two Sundays, and thirty-three days more for holidays and sickness, and idle hands, and the result will be an income of \$25,740,000. The females are no less numerous. and most of them industriously employed in house-keeping or otherwise, and we will estimate their wages at half the rate of that of the men, making \$12,870,000, which added to the former sum gives \$38,610,000 for the income from wages. In the valuation above mentioned the whole income from real and personal estate is put down at about \$9,000,000; but we will suppose it

month.'

to be too low, and set it at 12,000,000. The result is, that three fourths of the whole income of the community is derived from

wages, and only one fourth goes to pay rents and profits. To pursue the inquiry a little farther, let us suppose the income of 12,000,000 is derived from property yielding rents and profits at the rate of six per cent. per annum on its value, which in this case will be \$200,000,000; and we perceive that the income from rents, profits, and wages, for four years, exceeds the whole value of property, real and personal. If the community saves nothing, but consumes its whole income, it will in three years and four months consume and reproduce the whole value of its real estates and capital of all descriptions. If the people are idle one month, they consume one forty-eighth part of their whole possessions; if by industry and economy they save the income of one month, they add a forty-eighth part. Whatever measures and enterprises keep the population usefully employed, make the country prosperous and rich, even though a part of them are making silks and raising corn, as some writers suppose the English population to do, at a greater expense of labor than it would cost others to do it for them. It has been the policy of England to keep its population employed, and this is the secret of its growth in wealth and productiveness. The nation has not quietly reposed itself in the theory of those economists, who say that a certain amount of capital will, proprio vigore, put in motion a certain amount of industry, and no more can be done; a theory which is confuted by the experience of all communities every year, if not every

The following passage from another part of the work, gives some further very interesting details of the same description.

'In most communities the agricultural interest is the most important, whether we consider the income derived from it, the kind of products it supplies, or the number of persons employed. The rental of all France, as stated by Mr. Lowe, was in 1792, 24 millions sterling, and in 1822, 36 millions, and equal to its whole commerce; that is, the annual income of the lands was equal to the whole amount of exports. If we suppose the profits of commerce to have been 7 1-2 per cent., the agricultural income is over thirteen times that of commerce. If the lands are assumed to yield five per cent. on their value, the landed capital is twenty times the amount of the annual exports. The rental of Great Britain is estimated at 217 millions sterling, or six times the amount of that of France, reckoned in money. Notwithstanding the difference in the value of money in the two countries, this difference in the rental seems to be too great to be accurate.

'It appears by the returns for the direct tax of 1798, that the value of lands and houses in the United States at that time was about 620 millions of dollars, the number of acres valued being about 164 millions, and estimated, including all the houses, as well those in the towns as in the country, at 3 77-100 dollars, per The value of the lands with their improvements and dwelling houses in the same States, as estimated under the land taxes of 1813, 1814, and 1815, was about 1560 millions, and the value per acre, including the buildings in the towns and in the country. 9 50-100 dollars, assuming the number of acres valued to have been the same as returned under the tax of 1798. In the mean time Louisiana had been acquired, and the State of Ohio formed; the value of lands, and houses, and improvements in which latter State, was under these last taxes, estimated at 61 millions. the returns under the tax of 1798, the value of houses is put at about one third of that of lands. Deducting then one quarter from the value of both lands and houses in 1815, we make the value of the lands to be 1215 millions, without including Louisiana, Alabama, Florida, Mississippi, Missouri, Illinois, Indiana, and Michigan. Since 1815 the lands must have greatly increased in value, but the increase in the money price has not been so great in proportion.

'As to the number of persons employed in agriculture, they are estimated in Great Britain to be about one third part of the whole population. In the time of Elizabeth, they are supposed to have been six-tenths; and under George I. four-tenths. In this country their proportion to the whole population is quite as great as it was in England in the time of Elizabeth. Some tables state it at

83 per cent., but probably too high.

'It is not surprising then, that agriculture has been considered under almost every government to be of the very first importance. The Chinese annual festival of opening the ground in the spring, in which the Emperor, and all the Viceroys and Grandees take a part, shows the high estimation in which the art of cultivation is held in that empire, and the honors there paid to this species of industry have doubtless contributed very essentially to the high state of its cultivation and its great productiveness. The annual cattle-shows and fairs of this country, have a similar object, and they are supposed to have had a great effect already in introducing improved implements and processes, and better species of animals, and plants, and in increasing the productiveness of agricultural labor.'

The chapter on Commerce will probably be read at the present moment with more interest than any other, from its connexion with the political controversies, which now agitate

the country. In this chapter, Mr. Phillips examines at considerable length the question, whether it be the duty and policy of a country to protect and encourage by law the growth of its own domestic industry, and decides it in the affirmative. His argument on the subject is powerful, lucid, and we think, conclusive. Considering the unanimity and success with which the protecting policy has been acted upon in all ages, by all the governments of the old and new worlds, it is rather singular, that the expediency of it should have been made a subject of dispute; but such has been the influence of the authority of Adam Smith, that while the practice is wholly in favor of protection, the theories of the modern speculative writers are generally on the other side. We are therefore glad to find what we deem the correct opinion, stated in a scientific form with so much talent as it is in the work before us; and we particularly recommend this portion of it to such of our readers as are really desirous of obtaining clear and just ideas upon this im-

portant subject.

It will be apparent from the tenor of our preceding remarks, that few persons are less disposed than ourselves to depreciate the merits, or undervalue the authority of Adam Smith; but we are not prepared to follow blindly in the footsteps of any It is clear to us, as well from the particular passages in which this subject is treated, as from the spirit which pervades his whole work, that the author of the Wealth of Nations was in some degree influenced by the prevailing temper of the age in which he lived. At that period, the direction of public opinion throughout Europe was towards a reform of existing abuses. The effort of the powerful men, who, from their superior talents and activity, stood forward as the organs and representatives of this opinion, was to extend the sphere of individual liberty, and remove as far as possible all the restraints, political, civil and religious, which had been imposed upon it. The impulse given to the mass of society by these efforts, had a tendency, like every other vigorous movement, to go too far; and we must expect to meet in the writings and proceedings of the leading men of this period the errors and excesses, as well as the power, originality and brilliancy, which naturally accompany a strong developement of the principle of individual liberty. We find, accordingly, that all the master-spirits to whom we have alluded, paid their tribute to the still mightier spirit of the times. Montesquieu, Voltaire and Rousseau,

with a crowd of other writers of inferior note, are all obnoxious in greater or less degree, and in different ways, to the objection of having, in their zeal for reform and liberty, depreciated the importance and utility of the opposite principles of order, prescription, and law. The illustrious author of the Wealth of Nations belongs, in this respect, to the same category. We know, as well from the history of his life, as from the internal evidence afforded by the style and substance of his work, that he was a perfectly sincere and single-hearted man; but it is evident to any one who reads him without prejudice, and with the light that has been thrown upon his theories by the course of subsequent events, that in his zeal to remove abuses and secure individual liberty, he was hurried into the adoption of some theories, which, if practised upon, would relax the bands of wholesome authority, and reduce society to a state of complete dissolution. With him, government, instead of being, as it is, one of the two great constituent elements of social order,—a principle as high and holy in its origin, and as beneficial in its influence, when kept within its proper sphere, as liberty,—is a positive evil, which is only to be tolerated to a certain extent as a means of counteracting individual excess. The tone of the work corresponds, in this respect, with the Instead of approaching the subject of religion and government with the deep feeling of respect, which a sense of their importance naturally creates in the minds of all reflecting men, he generally handles them with the air of levity and sarcasm which distinguished the contemporary French school. When he has occasion to mention the lawgivers and political representatives of nations, he tells us of the 'crafty animal, vulgarly called a statesman.' There have no doubt been, and still are, many statesmen to whom this description might be applied with great justice; as there are among the clergy many of 'the round, fat, oily men of God,' described by Thomson; at the bar many lawyers, who realize the leguleius quidam auceps causarum—cantor formularum of Cicero; and we may add, many closet philosophers, who are no better than ingenious sophists. But is this the way in which the personal representatives of the principles of order and law are to be spoken of in a serious work, which pretends to compare and estimate the influence that belongs to the different elements that enter into the composition of the great fabric of society? The clergy are treated in the same sneering and contemptuous tone.

evil that we suffer, results from the action of governments, corporations, universities, classes of men; and all the good that we enjoy is the effect of the spontaneous, unbiassed, undirected action of individuals. It would be easy to show,—if we had room to treat the subject here at large,—that this proposition, taken in general, is completely false. While it is certain, that the good of all is best promoted by allowing the largest scope to individual action, which is consistent with the attainment of other really valuable objects, it is equally certain, that the influence of the social principle, when kept in like manner under proper regulation, is, to say the least, not less beneficial than that of the selfish one. It would be strange indeed if the conduct of men were always virtuous and judicious, when they are acting each separately for himself, and always vicious and unwise, when they are acting together for the common good. we make due allowance for the natural influence of a strong current of contemporary opinion upon the mind of a writer, whose natural dispositions were evidently of the purest and most amiable cast; -while we rather regret than blame the false and unfortunate tone of thinking and feeling to which we have alluded; we ought to be particularly careful not to be carried away by it ourselves, and to distinguish, in studying the Wealth of Nations, between the great truths which render it a work of permanent value, and the accidental errors which are a mere reflection of the popular opinions of the time at which it was written.

In applying his general principle to the subject particularly before us, it is affirmed by Adam Smith that every individual, if left to himself, will give his labor the direction most beneficial to himself, and of course to the general good. alone, and he will take better care of himself than any body else can take of him. Every branch of industry which it is really desirable for any particular community to possess, will naturally grow up there, and if it do not naturally grow up, the fact proves that it is not desirable that it should be established. Whatever is, is right. Now all this, when interpreted by the aid of the circumstances of the times when Adam Smith wrote, means nothing more in his mouth, than that individual industry was at that time incumbered in England, and generally in all Europe, with a multitude of useless and harassing restrictions, which it was very desirable to remove. To conclude, from this state of things, that all legislative regulation of individual industry is injurious, was natural enough according to the common mode of reasoning; but is, after all, nothing more than the ordinary sophism of arguing from the abuse of a thing against its utility. The principle that an individual, if left to hunself, will always give his labor the direction most likely to promote his own interest, will not bear the slightest examination. It is infinitely more important to the interest of an individual, not to give his labor the direction of forging bank notes, or robbing on the highway, than it is, that he should pursue this or that particular one among the reputable professions; and yet many individuals do give their labor this direction, notwithstanding the evident impolicy of so doing, and all civilized governments think it necessary to divert them from it by all the terrors of the penal code. The arguments which are habitually urged against legislative protection of domestic industry, apply with precisely the same force against a legislative protection of our property and persons from the arm of the pickpocket and the assassin. It is the law of our nature to live in society; and, instead of having it in our power, if left to ourselves, to give our labor the direction in every respect the most favorable to our own interest, it would be impossible for an individual, under such circumstances, to labor at all or even to exist. And so far is it from being true that economical matters are, as such, a particularly unsuitable subject for legislation, that they are, in fact, in all countries, the principal and ordinary one. Property itself is a mere creation of society, and the regulation of the tenure and transfer of it, is the great business of legislative bodies and courts of law. All this, on the theory of Smith, should be left to the individual, who will arrange his own economical concerns, and take care of his property infinitely better than governments and courts of law can do it for him. In short, the principle in question, when pursued into its consequences, strikes at the root of society, and brings us back to the chimerical doctrine of an original state of nature anterior to the existence of any social union, which was the leading heresy of the political sophists of the last century. And yet it is simply on the basis of this wholly untenable theoretical proposition, that Adam Smith and his followers rest their doctrine of the impolicy of affording a legislative protection to domestic industry.

Indeed, this doctrine, as stated by those who hold it, is generally accompanied with admissions, which would in a great degree prevent its application to practice, and reduce it to a

mere abstract theory. Even in the Wealth of Nations it is clogged with important exceptions; and in this country its intelligent advocates generally allow, that a legislative protection may be resorted to with propriety, for the purpose of securing from the danger of foreign competition the infant period of such manufacturing establishments as are suited to the state of the country, but require at the same time a large outlay of capital, and a good deal of experience, before they can be brought to perfection. Now, the persons who make this admission, concede the whole question in dispute. It is not contended by any one, that protection should be given to manufactures, which are not suited to the state of the country, and all manufactures require protection in their infancy. This is the precise ground upon which the principle of protection is sustained. And to admit its application thus far, is to allow it in practice to the full extent, to which it has ever been claimed in theory.

We would gladly copy,—did our limits permit,—the whole of Mr. Phillips's remarks upon this subject. They are of permanent value, and are particularly interesting at the present moment, when a violent effort is making, in several quarters, to unsettle the economical system to which we are indebted for our present, and on which we must depend for our future

prosperity.

In revising the work for another edition, which will doubtless be called for at no distant period, we would respectfully recommend to Mr. Phillips a reconsideration of some of his principles, to which we have particularly alluded above, and a rather more methodical disposition of his materials. The imperfections which we have noticed are, however, of minor importance, and we conclude, as we began, by recommending the work to our readers as one of the most valuable of the recent treatises on the subject, with which we are acquainted. It should be purchased and perused with attention by every student of political economy, and by every gentleman of liberal accomplishments, who wishes to understand,—even if he do not take an active part in,—the conduct of the public affairs of the country.